

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

HEARING ROOM A
CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, JUNE 2, 2004

10:05 a.m.

Reported By:

Peter Petty

Contract No. 150-01-006

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

William J. Keese, Chairperson

Jackalyne Pfannenstiel, Commissioner

Arthur H. Rosenfeld, Commissioner

STAFF PRESENT

Robert Therkelsen, Executive Director

William Chamberlain, Chief Counsel

Margret Kim, Public Adviser

Betty McCann, Secretariat

Ken Koyama, Transportation Energy Division

Martha Brook, PIER Building Staff

David Rubens, Public Programs Office

Cecile Martin, Assistant Director
Office of Governmental Affairs

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P R O C E E D I N G S

10:05 a.m.

CHAIRPERSON KEESE: Call this meeting of
the Energy Commission to order.

Commissioner Rosenfeld, would you lead
us in the pledge, please.

(Whereupon, the Pledge of Allegiance
was recited in unison.)

CHAIRPERSON KEESE: Thank you. We have
a Consent Calendar item. Do I have a motion?

COMMISSIONER ROSENFELD: I move.

(Thereupon, the motion was made.)

CHAIRPERSON KEESE: Motion, Commissioner
Rosenfeld.

COMMISSIONER PFANNENSTIEL: Second.

(Thereupon, the motion was seconded.)

CHAIRPERSON KEESE: Second,
Pfannenstiel.

All in favor?

(Ayes.)

CHAIRPERSON KEESE: Opposed?

Adopted, three to nothing.

Item two is off calendar.

Item three, California Integrated Waste
Management Board. Possible approval of Contract

1 R600-03-002 to receive \$400,000 over two fiscal
2 years for a study on how low rolling resistance
3 affects tire life spans and fuel efficiency.

4 Good morning.

5 MR. KOYAMA: Good morning. My name's
6 Ken Koyama. I'm with the Transportation Energy
7 Division.

8 The proposed inter-agency agreement with
9 the California Integrated Waste Management Board
10 would provide \$400,000 for testing tires to help
11 us comply with AB 844. This legislation, passed
12 last year and signed by Governor Davis, requires
13 the Energy Commission to establish a fuel
14 efficient tire program that could lead to setting
15 efficiency standards for all new tires sold in
16 California.

17 We plan to use these funds to hire a
18 tire testing laboratory to measure rolling
19 resistance on a sample of new and replacement
20 tires. A smaller sample of tires will also be
21 tested for safety, longevity, and other
22 characteristics. We will analyze the statistical
23 correlation to determine what impact, if any, low
24 rolling resistance tires will have on these
25 characteristics.

1 The Integrated Waste Management Board
2 has a strong interest in this program, since fuel
3 efficient tires could also be tires with lower
4 life. The Board's staff will be active members of
5 our selection team and we plan to keep the Board
6 fully informed of our progress. We recommend
7 approval of this inter-agency agreement.

8 CHAIRPERSON KEESE: Thank you. Very,
9 very interesting. I'm always happy to see money
10 coming our way.

11 Any discussion?

12 Public comment.

13 COMMISSIONER ROSENFELD: I've just got
14 to say, it's been, I -- I think I brought this
15 idea from Washington to here, and it's a, it's a
16 great idea. If it really works when you go into a
17 tire replacement shop right now, you, when you
18 leave you're rolling resistance is 20 percent
19 higher than it was on your new tires, and this is
20 a loophole we really ought to fix. And if we fix
21 it nationwide, I think it's something like a three
22 percent improvement in fuel efficiency averaged
23 over the whole fleet.

24 MR. KOYAMA: One to three percent.

25 Yeah, one to three percent improvement.

1 CHAIRPERSON KEESE: Thank you. I
2 believe that was a motion, Rosenfeld.

3 COMMISSIONER ROSENFELD: Motion.

4 (Thereupon, the motion was made.)

5 CHAIRPERSON KEESE: Second,
6 Pfannenstiel.

7 (Thereupon, the motion was seconded.)

8 CHAIRPERSON KEESE: All in favor?

9 (Ayes.)

10 CHAIRPERSON KEESE: Opposed?

11 Adopted, three to nothing.

12 MR. KOYAMA: Thank you.

13 CHAIRPERSON KEESE: We'll take up Items
14 4 and 5 together.

15 Item 4, National Association of State
16 Energy Officials. Possible contract, approval of
17 Contract R500-04-002, to receive a \$433,350 award
18 from NASEO for building commissioning. And Item
19 5, possible approval of contract 500-04-001 for
20 \$799,000 to implement the "Building Commissioning
21 - Innovation to Practice" project.

22 MS. BROOK: Good morning. I'm Martha
23 Brook, with the PIER building staff.

24 First, I'd like to give you just a brief
25 background of why we're wanting accept money from

1 the NASEO, and then I'll explain briefly what we
2 want to do with the money.

3 The State Technology Advancement
4 Collaborative, STAC, is a five-year pilot program
5 funded by the U.S. Department of Energy and
6 directed by an Executive Committee which includes
7 representatives of the National Association of
8 State Energy Officials, NASEO, the Association of
9 State Energy Research and Technology Transfer
10 Institutions, ASERTTI, the U.S. Department of
11 Energy's Office of Energy Efficiency and Renewable
12 Energy, and their Office of Fossil Energy.

13 This solicitation was administered by
14 NASEO on behalf of the STAC Executive Committee in
15 the fall and winter of 2003. Proposers were
16 required to be either a state energy office or a
17 state chartered institution. A 55 percent non-
18 federal cost share was required for all projects.
19 In response to this solicitation the PIER
20 Buildings Program took the lead role in the
21 submission of a proposal in the area of commercial
22 building commissioning. This proposal was
23 accepted by NASEO.

24 The partnering state energy
25 organizations include New York State Energy

1 Research and Development Authority, Texas A&M
2 University, the University of Nebraska at Lincoln,
3 the Oregon Department of Energy, and Iowa State
4 University. The title of this RD&D program is
5 Building Commissioning - Innovation to Practice.

6 This building commissioning program will
7 build on work previously funded by PIER and DOE to
8 develop functional test procedures for air
9 handling systems in commercial buildings. The
10 completed work culminated in a Beta version of
11 test procedures that has been well received by the
12 industry as a useful guide. However, follow-on
13 work is needed to pilot the guide, improve its
14 functionality, train practitioners, and deploy the
15 guide widely. These actions will, in turn,
16 provide cost effective tools for commissioning
17 buildings in California and other states, and to
18 reduce overall operational costs associated with
19 building HVAC systems.

20 California will benefit from
21 participating in this multi-state research
22 initiative in many ways, including leveraging
23 funds from DOE and other states to achieve common
24 goals, incorporating broader national expertise in
25 reviewing research products and guiding the

1 research direction, allowing us to continue our
2 leadership role as appropriate for certain areas
3 of energy efficiency research, and establishing
4 longer term relationships with other institutions
5 and sustaining a longer term focus on areas of
6 critical importance.

7 The first item before you is, is our
8 request to, to approve a contract from NASEO to
9 the Energy Commission, and the second will
10 implement our cost share, along with NASEO's
11 money, to Portland Energy Conservation, Inc., who
12 will be the program director for our research
13 program.

14 CHAIRPERSON KEESE: Thank you. Any
15 public comment?

16 Do I have a motion on Item 5?

17 COMMISSIONER PFANNENSTIEL: So move.

18 (Thereupon, the motion was made.)

19 CHAIRPERSON KEESE: Motion,
20 Pfannenstiel.

21 COMMISSIONER ROSENFELD: Second.

22 (Thereupon, the motion was seconded.)

23 CHAIRPERSON KEESE: All in favor?

24 (Ayes.)

25 CHAIRPERSON KEESE: Opposed?

1 Adopted, three to nothing.

2 A motion on Item 5.

3 COMMISSIONER ROSENFELD: I move Item 5.

4 (Thereupon, the motion was made.

5 CHAIRPERSON KEESE: Motion, Rosenfeld.

6 COMMISSIONER PFANNENSTIEL: Second.

7 (Thereupon, the motion was seconded.)

8 CHAIRPERSON KEESE: Second,

9 Pfannenstiel.

10 All in favor?

11 (Ayes.)

12 CHAIRPERSON KEESE: Opposed?

13 Adopted, three to nothing.

14 Thank you.

15 Item 6. California Community Colleges

16 Chancellor's Office. Possible approval of

17 Contract 400-03-009 for \$508,805 to install meters

18 at selected college campuses.

19 MR. RUBENS: Good morning,

20 Commissioners. My name is David Rubens, and I'm

21 with the Public Programs Office.

22 In 1986 Senate Bill 880 allocated \$4

23 million of the Petroleum Violation Escrow Account

24 funds to the Chancellor's Office of Community

25 Colleges to support energy projects in their

1 facilities. Legislation required that the
2 Commission enter into agreements with the
3 Chancellor's Office to spend these funds. Between
4 1986 and 2003, the Energy Commission entered into
5 several agreements for energy audits to selected
6 campuses, energy efficiency training, and grants
7 for improving energy efficiency of campus
8 equipment. Of the original \$4 million, \$508,805
9 remains. The Chancellor's Office has requested
10 that these remaining funds be spent to purchase
11 interval meters for selected campuses in order to
12 provide data on how energy is being used at each
13 campus.

14 The use of these PVEA funds to install
15 interval meters has been approved by the U.S.
16 Department of Energy as an acceptable use of
17 federal funds. In addition, the use of the funds
18 to purchase interval meters is an approved
19 expenditure of Senate Bill 880. The Department of
20 Finance has approved exemptions allowing the
21 Energy Commission to award these funds through a
22 contract. Under the inter-agency agreement, it is
23 estimated that ten campuses will receive up to 20
24 interval meters per campus. The Chancellor's
25 Office will install the meters, provide data

1 monitoring, and analyze and provide technical
2 assistance and training to each campus energy
3 management staff to maximize energy cost savings.

4 The Chancellor's Office estimates that
5 the campuses with interval metering will have data
6 needed to take action to reduce energy costs and
7 consumption by up to 18 percent. Such actions
8 included turning off equipment during peak periods
9 and shifting loads whenever possible to off-peak
10 periods. At the conclusion of the contract, the
11 Chancellor's Office will provide a report to
12 document the findings and results of the project,
13 and the potential expansion of this technology to
14 other campuses.

15 The inter-agency agreement was approved
16 by the Efficiency Committee, and staff recommends
17 this approval.

18 I'll be happy to answer any questions.

19 CHAIRPERSON KEESE: And this is
20 essentially a three-year contract?

21 MR. RUBENS: Three years contract.

22 CHAIRPERSON KEESE: And that's, the
23 report comes in in three years?

24 MR. RUBENS: Yes.

25 CHAIRPERSON KEESE: Are these

1 communicating meters, or are they --

2 MR. RUBENS: These are communicating
3 meters, and they will be communicating to software
4 on --

5 CHAIRPERSON KEESE: Campus by campus?

6 MR. RUBENS: Per campus, and they're
7 also talking about having the campus information
8 relayed throughout their community college
9 systems, so everyone, so all the colleges can look
10 at it.

11 CHAIRPERSON KEESE: Thank you. Any
12 other questions?

13 COMMISSIONER PFANNENSTIEL: Just one.
14 Are these campuses on time varying rates so their,
15 their rates will vary according to when they use
16 their power?

17 MR. RUBENS: Yes.

18 CHAIRPERSON KEESE: Thank you.

19 Any public comment?

20 Do I have a motion?

21 COMMISSIONER ROSENFELD: I move it.

22 (Thereupon, the motion was made.)

23 CHAIRPERSON KEESE: Motion, Commissioner
24 Rosenfeld.

25 COMMISSIONER PFANNENSTIEL: Second.

1 (Thereupon, the motion was seconded.)

2 CHAIRPERSON KEESE: Second,

3 Pfannenstiel.

4 All in favor?

5 (Ayes.)

6 CHAIRPERSON KEESE: Opposed?

7 Adopted, three to nothing.

8 The minutes of May 19th. May I have a
9 motion?

10 COMMISSIONER PFANNENSTIEL: So move.

11 (Thereupon, the motion was made.)

12 CHAIRPERSON KEESE: Motion by

13 Pfannenstiel.

14 COMMISSIONER ROSENFELD: Second.

15 (Thereupon, the motion was seconded.)

16 CHAIRPERSON KEESE: Second, Commissioner
17 Rosenfeld.

18 All in favor?

19 (Ayes.)

20 CHAIRPERSON KEESE: Approved, three to
21 nothing.

22 Commission Committee and Oversight.

23 Hearing none, Chief Counsel's Report.

24 CHIEF COUNSEL CHAMBERLAIN: I have no
25 report today, Mr. Chairman.

1 CHAIRPERSON KEESE: Wonderful.

2 Executive Director's Report.

3 EXECUTIVE DIRECTOR THERKELSEN: Good
4 morning, Commissioners. I don't have anything fun
5 and exciting to tell you about, so nothing to
6 report.

7 CHAIRPERSON KEESE: Legislative
8 Director's Report. We have one bill to present.

9 ASSISTANT DIRECTOR MARTIN: Good
10 morning. We have one bill for your consideration
11 today. We'd like to recommend a support position
12 on AB 2628. It's a Pavley bill, and this bill
13 would allow for the inclusion of hybrid electric
14 vehicles that meet high emissions and efficiency
15 standards, 45 miles per gallon, with one passenger
16 into the HOV lanes.

17 It has a sunset, has a cap on the number
18 of vehicles, asks the Department of Transportation
19 to review the program after 50,000 decals have
20 been given to the HOV lanes to see if there's any
21 congestion occurring in any particular area, and
22 then allows the number of decals to, I think it
23 goes to 75,000 total. And just to give hybrids an
24 incentive, encourage people to buy them, say that
25 the state supports them.

1 CHAIRPERSON KEESE: And as I recall, it
2 requires a federal waiver.

3 ASSISTANT DIRECTOR MARTIN: Yes, it
4 requires a federal waiver, and there's a companion
5 resolution that encourages the federal government
6 to allow this waiver.

7 CHAIRPERSON KEESE: Thank you.

8 Do I have a motion.

9 COMMISSIONER ROSENFELD: I'd like to ask
10 Cece a question. I, I should have read this and I
11 didn't, and I apologize.

12 So it has to be not only a hybrid but it
13 has to be a, a car which gets more than 45 miles
14 per gallon?

15 ASSISTANT DIRECTOR MARTIN: Forty-five
16 miles per gallon or more. It has to be an
17 advanced technology partial zero emission vehicle
18 which, as you know, is sort of the Air Resources
19 Board category for almost zero emission vehicle.

20 COMMISSIONER ROSENFELD: I, I was just
21 worried about the people who buy SUVs a year from
22 now, where the standard mileage is 12 and you make
23 it a hybrid and you get up to 24, and that seems
24 like sort of a problem. And you say that that's
25 not going to be a problem, because it has to be 45

1 miles per gallon.

2 ASSISTANT DIRECTOR MARTIN: It will be a
3 problem for the SUV drivers, but it will not be a
4 problem, they won't be eligible.

5 COMMISSIONER ROSENFELD: Yeah. Okay.

6 ASSISTANT DIRECTOR MARTIN: Yeah. So
7 we're not rewarding them for doubling their
8 efficiency in this particular bill.

9 COMMISSIONER ROSENFELD: You could start
10 it off very bad. Yeah.

11 CHAIRPERSON KEESE: They'll still have
12 to have two or three people in the car.

13 COMMISSIONER ROSENFELD: Thank you,
14 Cece.

15 CHAIRPERSON KEESE: Thank you. Do we
16 have a motion?

17 COMMISSIONER PFANNENSTIEL: I'll move
18 it.

19 (Thereupon, the motion was made.)

20 CHAIRPERSON KEESE: Motion,
21 Pfannenstiel.

22 COMMISSIONER ROSENFELD: Second.

23 (Thereupon, the motion was seconded.)

24 CHAIRPERSON KEESE: Second, Rosenfeld.
25 All in favor?

1 (Ayes.)

2 CHAIRPERSON KEESE: Opposed?

3 Adopted, three to nothing.

4 And that, that's the way we're going to
5 take Commission positions on legislation that's
6 pending. Just, we had Commission meeting this
7 morning. We will -- a Committee meeting this
8 morning. We will have one before every Commission
9 meeting so we can move these issues out pretty
10 fast.

11 Public Adviser's report.

12 PUBLIC ADVISER KIM: A couple of new and
13 exciting things to report for next week. On
14 Tuesday, June 8th, as part of the IEPR update,
15 there will be a workshop on renewable distributed
16 generation. And on Wednesday, June 9th, there'll
17 be, again as part of the IEPR update, a workshop
18 on the aging power plant study, and also on
19 Wednesday, 9th, through the 10th, there will be
20 our first climate change conference.

21 CHAIRPERSON KEESE: Thank you.

22 Any public comment?

23 Seeing no one in the audience --

24 COMMISSIONER ROSENFELD: No public.

25 CHAIRPERSON KEESE: -- no public in

1 attendance, this meeting is adjourned.

2 (Thereupon, the business meeting
3 was adjourned at 10:20 a.m.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Business Meeting; that it was
thereafter transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
Business Meeting, or in any way interested in the
outcome of said Business Meeting.

IN WITNESS WHEREOF, I have hereunto set
my hand this 7th day of June, 2004.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345